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**CENTRAL INTELLIGENCE GROUP
NEW WAR DEPARTMENT BUILDING
21st and VIRGINIA AVENUE, N. W.
WASHINGTON, D. C.**

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MEMORANDUM FOR THE CHIEF OF NAVAL INTELLIGENCE.

SUBJECT: The Collection of Intelligence Information in China.

1. During the months of March and April, 1946, two plans for organizing post-war intelligence activities in China were presented by the Office of A.C. of S., G-2, W.D.G.S. to the Director of Central Intelligence for study, comment and recommendation. The first of these plans, dated 30 November, 1945, was prepared in the Headquarters of U. S. Forces, China Theatre. The second plan, dated 15 March, 1946, was prepared in the same Headquarters, but by different personnel.

2. A thorough study of both plans and of the subject itself, by the former Central Planning Staff of C.I.G. was completed on 20 June, 1946, but the necessary reorganization of C.I.G. prevented an earlier report. In the course of the study, many conferences were had with persons of the following categories:

- a. Officers of the Army with rich backgrounds of experience in China;
- b. Officers of the Navy with similar backgrounds;
- c. Officials of the Department of State with broad knowledge of China;
- d. Officials of SSU with knowledge of the operations of that organization and of its predecessor, OSS, in China.

3. Due to the fact that China is an area which demands thorough coverage for the collection of intelligence information concerning the country itself and its neighbors to the north, a thoroughly integrated and coordinated organization, sufficiently large to permit thorough coverage is essential. It is one of the most sensitive areas in the world today and one of the two or three most likely areas in which the torch to set off a new world conflagration might be applied.

4. Essential portions of a coordinated intelligence information collecting program for China are:

- a. Military Attache establishment with Headquarters connected with the Embassy and Assistant Attaches or Military Observers with appropriate staffs at a sufficient number of inland points to permit thorough coverage;

TOP SECRET

TOP SECRET

- b. Naval Attache establishment similar to the M/A establishment and working closely therewith, but with the Assistant Naval Attache and Naval Observer staffs at important ports;
- c. Strong State Department facilities for overt collection of political, economic, financial and related intelligence information;

d.

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5. Under N.I.A. Directive No. 5, the Director of Central Intelligence is charged with the responsibility indicated in 4, d., above, and the operations concerned therewith are under way. The coordination of the results of these operations with those of the overt agencies will be accomplished by the Director of Central Intelligence.

6. The personnel of the present Military and Naval Attache establishments are not sufficiently numerous adequately to cover the area. Recommendations of G-2, China Theatre, concurred in by two former incumbents of the same office, are that the M/A establishment should be expanded to include: 22 Officers headed by a General Officer; 2 Warrant Officers; 37 Enlisted Men; 12 Civilians including translators. Naval opinion is that the N/A establishment should be expanded to equivalent strength and should be headed by a Flag Officer. The Director of Central Intelligence concurs in these views and recommends that the indicated expansion be effected as rapidly as possible.

7. Your comments upon the foregoing are invited. Duplicate of this memorandum is being sent to the Director of Intelligence, W.D.G.S., with copy to Colonel Eddy, Special Assistant to the Secretary of State.

Copy to Colonel Eddy
(for information)

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